

it doing to make sure that my tax bill does not go up in 2010?

They will be met with deafening silence.

Now, those on the other side will try and explain this deficiency away. They will argue that allowing a tax cut to expire is not the same thing as raising taxes. Well, try telling that to the 116 million American taxpayers who will face higher taxes if these tax cuts are allowed to expire. Try explaining this nuance to the 43 million American families who, on average, will owe \$2,300 more, and to the 18 million seniors who will pay an average of \$2,200 more.

This is not small potatoes. Families that do not consider themselves rich, that struggle to make ends meet, and that are doing all they can to make the mortgage and save for college, are going to get hit with massive tax bills. They are going to see their paychecks shrink by hundreds of dollars every pay period. This is real money. Money that families could use to pay medical bills or pay tuition, and instead it is going to go to the Federal Government.

It will not be much fun trying to explain this to the owners and managers of 27 million American small businesses. Try telling them that their higher tax bill is not really a tax increase. No, not at all. It is merely the reversal of a temporary lower tax rate they should have been grateful to have gotten for a decade, due to the generosity of Uncle Sam, who no longer deems it necessary to throw such favors their way.

Good luck selling that one.

I will tell you one thing—I do not want to tell the hundreds of thousands of Utah families, seniors, and small business owners that the extra dollars we were letting them keep for a few years are now needed for more urgent things, such as higher spending in Washington.

So if this is not a tax increase, I do not know what is. The other side can call it what it wants. But if the end result is more money coming to Washington, and less money staying in the paycheck, the family budget, or the small business expansion account, this is a T-A-X, Tax!

We have heard the other side talk about how they are for extending the middle-class elements of the 2001 and 2003 tax cuts. We have even heard them say that the budget resolution provides for this, through the adoption of an amendment offered by the Senator from Montana. \$323 billion for middle-class tax relief. Does any of this sound familiar? It should, because the same amendment was offered, and adopted, in last year's budget resolution.

I have a question about that tax relief. Where is it? What happened? Last year's Baucus amendment offered pretty much the same kind of tax relief as this year's version. But, why did we need to adopt it again? The answer, of course, is that nothing happened because the tax changes necessary to carry out the stated intent of this

amendment were never brought up in the Finance Committee or on the floor of this Senate. This is a shell game.

The reason why is that you have to look at the fine print on this amendment to see what is really going on. The Baucus amendment allows only for the consideration of so-called middle-class tax relief. It does not, however, provide a means to offset the lost revenue. Under the Democratic pay-go rules, along with the \$323 billion of tax relief that the Baucus amendment purports to offer, there is an asterisk with fine print that says, provided that the revenue can be found to offset it. My goodness.

So this explains why we need the Baucus amendment again. The reason we did not provide that middle-class tax relief is that we could not find the revenue to offset it. But what about what my friend and colleague, the distinguished chairman of the Budget Committee, says? He points to the tax gap and says we can get the money there. All we have to do is stop some of the leakage in our tax system.

I agree with my colleague from North Dakota. I agree that we should be able to reduce the tax gap. It is too large and it is inexcusable why \$200 to \$300 billion or more in taxes that are due go uncollected each year. But you know what? Our tax system, as leaky and clumsy and unfair and antiquated as it is, is the envy of much of the world as far as the percentage due that we collect.

Can we do better? Of course. Do we need to crack down on tax abuse domestically and overseas? Indeed we do. Can we raise enough money by closing the tax gap to offset the revenue loss of the amendment of the Senator from Montana? Not even close. As Senator GRASSLEY very eloquently demonstrated on this floor on Monday, the real potential for revenue from the tax gap is very, very small in comparison to what the other side is claiming. If not, then where are the specific proposals from the other side to do it? Why haven't they been enacted, if it is so easy to get this revenue?

The tax increases inherent in this budget resolution will do untold damage to our economy. Even if the other side can find the votes to increase taxes enough to overcome the pay-go problem associated with some of the middle-class tax relief proposed by the Senator from Montana, we would still be doing major harm to the economy.

We can perhaps look to the model provided for us by the chairman of the Ways and Means Committee in his so-called Mother Tax bill. It is so named because my good friend Chairman RANGEL said it represents the Mother of All Tax Reforms. His ranking member, Congressman MCCRERY, more aptly describes it as the Mother of All Tax Hikes.

I can tell you right now, as much as I hate to say this about my friend CHARLIE RANGEL, Congressman MCCRERY is right. This "mother" bill

includes plenty of tax offsets. It would increase the income tax rates across the board to where they were in 2001, with the top rate exceeding 40 percent at the margin. This may sound as if it would affect only the wealthy, but this is another false premise. In reality, it would affect millions and millions of small and midsized businesses, the great majority of which pay their taxes through the individual Tax Code.

How is this going to help us solve the economic problems our Nation is facing? This budget is nothing but a recipe for disaster.

The second faulty premise underlying this budget resolution is that the increase in spending it authorizes will solve our long-term economic problems. Yes, I think we have heard this before as well. Yes, it was last year in the fiscal year 2008 budget debate. That budget resolution called for \$205 billion in increased spending over 5 years, and this number ballooned to \$350 billion over 10 years. Apparently, this amount was not high enough, so this budget ups the amount to \$210 billion over the next 5 years, and it will have the same ballooning effect over the years beyond because the spending gets built into the baseline. That is the danger of a seemingly small amount of additional spending. It is insidious. It seems relatively small in the first year, and so it may be, but the way we do budgeting in Congress has a way of multiplying the seemingly small increases so they are huge in a few years. There is a compounding effect.

In his opening remarks on Monday, the distinguished chairman of the Budget Committee talked about the need for additional investment in America. He spoke about priorities in education, energy, infrastructure, law enforcement, weatherization, health care, uninsured children, food, drug safety, veterans, and much more.

I know the Senator from North Dakota is sincere, and I know he works hard and is very effective in presenting his side of the argument. I have much admiration and affection for him. I care a great deal for him. He has a very tough job, and he does it well.

The Senator from North Dakota is right about the needs of this country—they are unlimited, just like the needs of the typical American family. The needs of the American people as a whole are unlimited. The problem in both situations is that we do not have unlimited resources, and neither does the family. We have to make choices, and we have to set priorities. It would be nice if we could simply take care of every problem in this Nation by spending the money that is needed, just as it would be great if every American family had enough money to solve all of its problems. But that is not reality.

In reality, we are in serious financial trouble in this country. Money trouble, if you will. When a family faces reality and knows it has money trouble, that family will sit down at the kitchen table and decide where to prioritize and